

**BENJAMIN E. MAYS PREPARATORY SCHOOL**  
**FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 18 2013

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Benjamin E Mays Preparatory School  
New Orleans, LA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Benjamin E Mays Preparatory School (a nonprofit organization) ("Mays Prep"), which comprise the Statement of Financial Position in Liquidation as of June 30, 2013, and the related Statement of Activities in Liquidation for the year then ended, and the related notes to the financial statements

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Mays Prep's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mays Prep's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets in liquidation of Mays Prep as of June 30, 2013, and the changes in its net assets in liquidation for the year then ended in accordance with accounting principles generally accepted in the United States of America applied on the bases of accounting described in the following paragraph.

### **Basis of Accounting**

As described in Note 1, Mays Prep's policy is to prepare its financial statements on the liquidation basis of accounting. Our opinion is not modified with respect to that matter.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Emphasis-of-matter Regarding Going Concern**

The accompanying financial statements have been prepared assuming that Mays Prep will not continue as a going concern as of June 30, 2013. As discussed in Note 7 to the financial statements, Mays Prep has terminated operations and began liquidation of all assets. Our opinion is not modified with respect to that matter.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2013, on our consideration of Mays Prep's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mays Prep's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, LLC*

August 15, 2013

## **FINANCIAL STATEMENTS**

**BENJAMIN E. MAYS PREPARATORY SCHOOL**  
**STATEMENT OF FINANCIAL POSITION IN LIQUIDATION**  
**June 30, 2013**

	<b>2013</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 274,580
Grants receivable	209,492
Total Assets	\$ 484,072
<b>LIABILITIES AND NET ASSETS</b>	
Accounts payable	\$ 358,901
Accrued expenses	137,407
Total Liabilities	496,308
<b>Net Deficit:</b>	
Unrestricted	(12,236)
Total Net Deficit	(12,236)
Total Liabilities and Net Deficit	\$ 484,072

See accompanying notes to financial statements

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
STATEMENT OF ACTIVITIES IN LIQUIDATION  
For the Year Ended June 30, 2013**

	<b>2013</b>
<b>UNRESTRICTED NET ASSETS</b>	
<b>Public Support Revenues and Other Support</b>	
Local per pupil aid	\$ 1,453,270
State public school funds	1,305,022
Federal sources	690,117
Donations and contributions	133,828
Total Public Support and Other Revenues	3,582,237
<b>Expenses</b>	
Program services	
Instructional	1,899,185
Supporting services	
Management and general	2,042,067
Total Expenses	3,941,252
<b>Decrease in Unrestricted Net Assets</b>	(359,015)
Net assets at beginning of year	346,779
Net deficit at end of year	\$ (12,236)

See accompanying notes to financial statements

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Benjamin E Mays Preparatory School (a nonprofit organization) ("Mays Prep") was incorporated in the fall of 2009 for the purpose of operating a charter school in New Orleans, Louisiana. Mays Prep is a college preparatory, open-enrollment charter school whose mission is to prepare every student for success in high school, college, and beyond, providing the children of New Orleans with education that rivals the area's most highly regarded public and private schools. The State Board of Elementary and Secondary Education ("BESE") granted Mays Prep a Type 5 charter to operate Benjamin E Mays Preparatory School. In the winter of 2012, BESE voted to revoke Mays Prep's charter and therefore cease operations at June 30, 2013.

Basis of Accounting

Effective June 30, 2013, BESE decided to liquidate Mays Prep and, accordingly, revalued its assets and liabilities to the amounts expected to be collected and paid during the liquidation. The effect of the revaluation is included in the Statement of Net Assets in Liquidation as other expenses. It is not presently determinable whether the amounts realizable from the disposition of the remaining assets or the amounts that creditors will agree to accept in settlement of the obligations due them will differ materially from the amounts shown in the accompanying financial statements. Differences between the revalued amounts and actual cash transactions will be recognized in the year they can be estimated.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Mays Prep maintains its cash balances at a national financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the year ending June 30, 2013. At times, the balance may exceed the federally insured amount.

**NOTE 3 - RETIREMENT PLANS**

The majority of Mays Prep's employees are participants in an employer sponsored 401(k) retirement plan. Covered employees may elect to contribute a portion of their salaries to the plan. Mays Prep made contributions totaling \$20,659 to the plan for the year ended June 30, 2013.

**NOTE 4 - LEASE AGREEMENT**

Mays Prep has entered into a rent-free lease agreement with the State of Louisiana Department of Education, Recovery School District (the "RSD") for the use of Carver Elementary's buildings and grounds as school facilities. Mays Prep is responsible for the payment of utilities, janitorial and sanitation, disposal services, and property taxes. There is no formal written lease agreement and therefore no amounts have been recognized as donated facilities.

**BENJAMIN E. MAYS PREPARATORY SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**For the Year Ended June 30, 2013**

**NOTE 4 - LEASE AGREEMENT (CONTINUED)**

The lease agreement states the RSD may move Mays Prep at any time as long as the RSD provides another facility deemed reasonable, taking into consideration such factors as building capacity, design alignment with grade levels served by Mays Prep, projected enrollment, program specific needs, and community needs

**NOTE 5 – OPERATING LEASE AGREEMENT**

Mays Prep entered into three (3) operating leases for the rental of three (3) copiers. The three (3) leases are for thirty-six (36) months. Rental payments under these leases were approximately \$13,800 for the year ended June 30, 2013. The copiers were returned to the lessor prior to June 30, 2013 and Mays Prep was billed \$18,421 for the early buy-out of the lease. Mays Prep recorded a liability at year end for the entire buy-out amount.

**NOTE 6 – UNCERTAIN TAX POSITIONS**

Accounting principles generally accepted in the United States of America require Mays Prep's management to evaluate tax positions taken by Mays Prep and recognize a tax liability if Mays Prep has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Mays Prep's management has analyzed the tax positions taken by Mays Prep, and has concluded that as of June 30, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. Mays Prep is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. Mays Prep's management believes it is no longer subject to income tax examinations for years prior to 2009.

**NOTE 7 – TERMINATION OF OPERATIONS**

On December 4, 2012, the Recovery School District revoked the charter of Mays Prep resulting in the school closing and ceasing operations at the end of the fiscal year ended June 30, 2013. As a result of Mays Prep ceasing operations as of June 30, 2013, Mays Prep adopted the liquidation basis of accounting. Any remaining assets and liabilities of Mays Prep that are not from a public funding source will be disbursed at the discretion of the Board of Directors of Mays Prep.

As a result of discontinuing its operations, Mays Prep incurred additional liabilities and expenses related to closing. Total expenses in the Management and General Expenses on the Statement of Activities in Liquidation related to the closure of Mays Prep were approximately \$36,716 for the year ended June 30, 2013. All such expenses were liabilities at year end. Mays Prep also incurred a loss on disposal of assets of \$20,543 as a result of the donation of all fixed assets to another not for profit entity.

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
For the Year Ended June 30, 2013**

**NOTE 7 – TERMINATION OF OPERATIONS**

Expenses incurred as a result of the closure of Mays Prep is as follows

Copier lease buy-out	\$ 18,421
Legal fees	15,000
Termination fees	<u>3,295</u>
Total	<u>\$ 36,716</u>

**PERFORMANCE STATISTICAL DATA**

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Benjamin E Mays Preparatory School  
New Orleans, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Benjamin E Mays Preparatory School (a nonprofit organization) ("Mays Prep") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Mays Prep and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin Mays Prep is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule K-1)

- 1 We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue

Education Levels of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule K-2)

- 2 We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule K-4) to the combined total number of full-time classroom teachers per this schedule and to school supporting payroll records as of October 1, 2012
- 3 We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers” (Schedule K-4) to the combined total of principals and assistant principals per this schedule
- 4 We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2012 and as reported on the schedule We traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s education level was properly classified on the schedule

Number and Type of Public Schools (Schedule K-3)

- 5 We obtained a list of schools by type as reported on the schedule We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84 010) application and/or the National School Lunch Program (CFDA 10 555) application)

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule K-4)

- 6 We obtained a list of principals, assistant principals, and full-time teachers by classification as of October 1, 2012 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined that the individual’s experience was properly classified on the schedule

Public School Staff Data (Schedule K-5)

- 7 We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined that the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule
- 8 We recalculated the average salaries and full-time equivalents reported in the schedule

Class Size Characteristics (Schedule K-6)

- 9 We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule K-3 data, as obtained in procedure 5 We then traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined that the class was properly classified on the schedule

Louisiana Educational Assessment Program (LEAP) for the 21<sup>st</sup> Century (Schedule K-7)

- 10 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School System

Integrated Louisiana Educational Assessment Program (iLEAP) (Schedule K-9)

- 11 We obtained test scores as provided by the testing authority and reconciled the scores as reported by the testing authority to the scores reported in the schedule by the School System

We noted the following exceptions as a result of applying the above procedures

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule K-4)

**Finding:**

We noted one (1) instance where the teacher's years of experience were incorrect The one (1) teacher was listed as having eleven (11) years of experience, but the personnel file indicated seven (7) years of experience

**Corrective Action Plan:**

Mays Prep concurs with the finding noted Due to the closure of Mays Prep, no further action is required

Public School Staff Data (Schedule K-5)

**Finding:**

We noted two (2) instances where a teacher's reported salary was incorrect per the June 30, 2013 PEP report The salaries reported on the June 30, 2013 PEP report were \$960 and \$480 lower than the contract and actual salary We noted three (3) instances where there was no offer letter for the 2012-2013 school year maintained However, the actual salary agreed to the June 30, 2013 PEP report in those cases

**Corrective Action Plan:**

Mays Prep concurs with the finding noted Due to the closure of Mays Prep, no further action is required

We were not engaged to and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of Benjamin E. Mays Preparatory School, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carr, Riggs & Ingram, LLC*

August 15, 2013

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**Schedule K-1**

**General Fund Instructional and Support Expenditures  
Certain Local Revenue Sources  
For the Year Ended June 30, 2013**

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures	
Teacher and Student Interaction Activities	
Classroom Teacher Salaries	\$ 849,808
Other Instructional Staff Activities	83,826
Instructional Staff Employee Benefits	275,807
Purchased Professional and Technical Services	193,964
Instructional Materials and Supplies	92,836
Less Instructional Equipment	-
Total Teacher and Student Interaction Activities	<u>\$ 1,496,241</u>
Other Instructional Activities	
Pupil Support Activities	\$ 102,632
Less Equipment for Pupil Support Activities	-
Net Pupil Support Activities	<u>\$ 102,632</u>
Instructional Staff Services	\$ 394
Less Equipment for Instructional Staff Services	-
Net Instructional Staff Services	<u>\$ 394</u>
School Administration	\$ 634,359
Less Equipment for School Administration	-
Net School Administration	<u>\$ 634,359</u>
Total General Fund Expenditures	<u>\$ 2,233,626</u>
Total General Fund Equipment Expenditures	<u>\$ -</u>

Certain Local Revenue Sources

This section is not applicable to charter schools

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**Schedule K-2**

**Education Level of Public Principals, Assistant Principals, and Full-Time Classroom Teachers  
As of October 1, 2012**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	-	-	-	-	-	-	-
Bachelor's Degree	9	82%	10	84%	-	-	-	-
Master's Degree	2	18%	1	8%	2	100%	-	-
Master's Degree +30	-	-	-	-	-	-	-	-
Specialist in Education	-	-	-	-	-	-	-	-
Ph D or Ed D	-	-	1	8%	-	-	-	-
<b>Total</b>	<b>11</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>2</b>	<b>100%</b>	<b>-</b>	<b>-</b>

**Number and Type of Public Schools  
For the Year Ended June 30, 2013**

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<b>Type</b>	<b>2013</b>
	<b>Number</b>
Elementary	1
Middle/Jr. High	-
Secondary	-
Combination	-
Total	1

Note Schools opened or closed during the fiscal year are included in this schedule

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**Schedule K-4**

**Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers  
As of October 1, 2012**

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs
Assistant Principals	-	-	1	-	-
Principals	-	-	1	-	-
Classroom Teachers	3	6	11	1	2
Total	3	6	13	1	2

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**Schedule K-5**

**Public School Staff Data**

**For the Year Ended June 30, 2013**

2010	All Classroom Teachers	Classroom Teachers Excluding ROTC And Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$47,127	\$47,127
Average Classroom Teacher's Salary Excluding Extra Compensation	\$45,842	\$45,842
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	22.4	22.4

Note Figures reported include all sources of funding (i e federal, state and local) but exclude employee benefits Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement Therefore, these teachers are excluded from the computation in the last column This schedule excludes day-to-day substitutes and temporary employees

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**Schedule K-6**

**Class Size Characteristics  
As of October 1, 2012**

School Type	Class Size Range					
	1 - 20		21 - 26		27-33	
	Percent	Number	Percent	Number	Percent	Number
Elementary	29%	30	65%	66	6%	6
Elementary Activity Classes	35%	6	59%	10	6%	1
Middle/Jr High	-	-	-	-	-	-
Middle/Jr High Activity Classes	-	-	-	-	-	-
High	-	-	-	-	-	-
High Activity Classes	-	-	-	-	-	-
Combination	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-

Note The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards Therefore, these classes are included only as separate line items

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**Schedule K-7**

**Louisiana Educational Assessment Program (LEAP) for the 21st Century  
For the Years Ended June 30, 2013 and 2012**

District Achievement Level Results	English				Mathematics			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	3	4%	5	7%	8	11%	-	0%
Basic	43	62%	21	28%	24	35%	21	28%
Approaching Basic	18	27%	17	22%	20	29%	14	18%
Unsatisfactory	5	7%	33	43%	17	25%	41	54%
<b>Total</b>	<b>69</b>	<b>100%</b>	<b>76</b>	<b>100%</b>	<b>69</b>	<b>100%</b>	<b>76</b>	<b>100%</b>

District Achievement Level Results	Science				Social Studies			
	2013		2012		2013		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	-	0%	1	1%	1	1%	-	0%
Basic	21	30%	20	27%	23	33%	17	23%
Approaching Basic	30	43%	25	34%	30	43%	21	28%
Unsatisfactory	18	27%	28	38%	15	23%	36	49%
<b>Total</b>	<b>69</b>	<b>100%</b>	<b>74</b>	<b>100%</b>	<b>69</b>	<b>100%</b>	<b>74</b>	<b>100%</b>

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**SCHEDULE K-9**

**Integrated Louisiana Educational Assessment Program (iLEAP)  
For the Years Ended June 30, 2011, 2012, 2013**

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	2	4%	1	1%	-	0%	-	0%
Basic	13	28%	15	33%	7	15%	13	28%
Approaching Basic	18	40%	15	33%	21	46%	16	35%
Unsatisfactory	13	27%	15	34%	18	39%	17	37%
Total	46	100%	46	100%	46	100%	46	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**SCHEDULE K-9**

(Continued)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	4	10%	5	12%	-	0%	1	2%
Basic	22	52%	13	31%	21	50%	24	57%
Approaching Basic	13	31%	15	36%	18	43%	12	29%
Unsatisfactory	3	7%	9	21%	3	7%	5	12%
Total	42	100%	42	100%	42	100%	42	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	-	0%	1	5%	1	5%	-	0%
Basic	6	32%	-	0%	1	5%	6	32%
Approaching Basic	1	5%	7	37%	11	58%	5	26%
Unsatisfactory	12	63%	11	58%	6	32%	8	42%
Total	19	100%	19	100%	19	100%	19	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mastery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Approaching Basic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unsatisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
NEW ORLEANS, LOUISIANA**

**SCHEDULE K-9**

(Continued)

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	-	0%	1	2%	-	0%	-	0%
Mastery	3	7%	2	5%	1	2%	2	5%
Basic	17	39%	16	36%	17	39%	14	32%
Approaching Basic	12	27%	11	25%	15	34%	12	27%
Unsatisfactory	12	27%	14	32%	11	25%	16	36%
Total	44	100%	44	100%	44	100%	44	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	-	0%	-	0%	-	0%	-	0%
Mastery	3	9%	3	9%	2	6%	1	3%
Basic	12	38%	13	41%	10	31%	14	44%
Approaching Basic	5	16%	7	22%	15	47%	11	34%
Unsatisfactory	12	38%	9	28%	5	16%	6	19%
Total	32	100%	32	100%	32	100%	32	100%

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	-	0%	1	4%	-	0%	1	4%
Mastery	-	0%	1	4%	1	4%	1	4%
Basic	9	35%	16	62%	8	31%	8	31%
Approaching Basic	7	27%	3	12%	8	31%	1	4%
Unsatisfactory	10	38%	5	19%	9	35%	15	58%
Total	26	100%	26	100%	26	100%	26	100%

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Benjamin E Mays Preparatory School  
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Benjamin E Mays Preparatory School (a nonprofit organization) ("Mays Prep"), which comprise the Statement of Financial Position in Liquidation as of June 30, 2013, and the related Statement of Activities in Liquidation for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 15, 2013

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mays Prep's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mays Prep's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mays Prep's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Mays Prep's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, LLC*

August 15, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
Benjamin E. Mays Preparatory School  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited Benjamin E Mays Preparatory School (a nonprofit organization) ("Mays Prep") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mays Prep's major federal programs for the year ended June 30, 2013. Mays Prep's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Mays Prep's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mays Prep's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mays Prep's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Mays Prep complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Report on Internal Control Over Compliance**

Management of Mays Prep is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mays Prep's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mays Prep's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Carr, Riggs & Ingram, LLC*

August 15, 2013

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013**

<b><u>Federal Grantor/ Program Title/ Pass-Through Grantor</u></b>	<b>Federal</b>	<b><u>CFDA Number</u></b>	<b><u>Expenditures</u></b>
<u>U S Department of Education</u>			
<i>Passed-through Louisiana Department of Education</i>			
Title I Grants to Local Educational Agencies (LEAs)*		84 010	\$ 220,328
Title II Improving Teacher Quality State Grants		84 367	15,127
Special Education - Grants to States (IDEA, Part A)		84 027	80,951
Special Education - Grants to States (IDEA, Preschool)		84 173	2,948
School Improvement Grants (ARRA)*		84 388	93,398
Race to the Top (ARRA)		84 413	<u>13,058</u>
TOTAL U S DEPARTMENT OF EDUCATION			<u>\$ 425,810</u>
<u>U S Department of Agriculture</u>			
School Breakfast Program		10 553	88,126
National School Lunch Program		10 555	138,743
After School Snacks		10 558	<u>37,438</u>
TOTAL U S DEPARTMENT OF AGRICULTURE			<u>\$ 264,307</u>
TOTAL SCHEDULE OF FEDERAL AWARDS			<u>\$ 690,117</u>

\*Identified as a major program

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**BENJAMIN E. MAYS PREPARATORY SCHOOL**  
**NOTE TO SCHEDULE OF EXPENTITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2013**

**NOTE 1 - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Benjamin E Mays Preparatory School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**A. SUMMARY OF AUDITOR'S RESULTS**

- The auditor's report expresses an unqualified opinion on the financial statements of Mays Prep
- No instances of noncompliance material to the financial statements of Mays Prep were disclosed and identified during the audit
- No significant deficiencies relating to the audit were noted in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*
- The *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133* expresses an unqualified opinion on all major federal programs
- There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133
- A management letter was not issued for the year ended June 30, 2013
- The programs tested as a major program for the year ended June 30, 2013 were

<u>Program Title</u>	<u>CFDA No</u>
Grants to Local Educational Agencies	84 010
School Improvement Grants, Recovery Act	84 388
Special Education Cluster	84 027, 84 173

- The threshold for distinguishing between Type A and Type B programs was \$300,000
- Benjamin E Mays Preparatory School did not qualify as a low-risk auditee

**B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

There were no findings related to the financial statements for the year ended June 30, 2013

**BENJAMIN E. MAYS PREPARATORY SCHOOL  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
COMPLIANCE**

Not applicable

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR  
FEDERAL AWARD PROGRAMS**

Not applicable

**SECTION III – MANAGEMENT LETTER**

Not applicable